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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF HAWAI'I

----- In the Matter of -----)
)
PUBLIC UTILITIES COMMISSION) DOCKET NO. 05-0002
)
Instituting a Proceeding to Investigate the)
Issues and Requirements Raised by, and)
Contained in, Hawai'i Revised Statutes)
486H, as Amended)
_____)

**SHELL OIL COMPANY'S SUPPLEMENTAL RESPONSE TO
THE PUBLIC UTILITIES COMMISSION'S
INFORMATION REQUESTS PUC-IR-45 TO PUC-IR-50**

AND

CERTIFICATE OF SERVICE

PUBLIC UTILITIES
COMMISSION

2006 FEB 15 P 3:24

FILED

KOBAYASHI SUGITA & GODA

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**SHELL OIL COMPANY'S SUPPLEMENTAL RESPONSE TO
THE PUBLIC UTILITIES COMMISSION'S
INFORMATION REQUESTS PUC-IR-45 TO PUC-IR-50**

SHELL OIL COMPANY ("Shell") respectfully submits its supplemental response to the Public Utilities Commission of the State of Hawai'i's ("Commission") Information Requests, PUC-IR-45 to PUC-IR-50 ("Information Requests"). Shell advises that this response supplements its previous response which was filed herein on January 6, 2006, and is made consistent with this Commission's authorization to supplement said initial response.

With regard to **PUC-IR-45 to PUC-IR-50**, Shell responds as follows:

PUC-IR-45 The Commission appreciates the input from the Parties that the supply lines for imported ethanol are tenuous. For this reason, the costs associated with insuring a more reliable supply chain are important to reflect, and the status of establishing the supply lines and infrastructure is critical to understand. With the lead times necessary to finalize capital and expense related work for ethanol, and to secure ethanol in the imported market, as well as transportation re-distribution to neighbor islands, we understand that each Party should have specific actions underway to meet this critical date.

Consequently, please identify in a timeline format (either MS Project or Excel), the specific operational plans that you are undertaking to meet the April 2006 mandate. These plans should reflect the timing of completion and testing of terminal and service station facilities in each zone, initial fill dates for ethanol and RBOB [Reformulated Gasoline Blendstock for Oxygenate Blending] gasoline production, initial ethanol cargo load and delivery dates (for ethanol importing Parties), and any other critical actions related to the ethanol mandate.

RESPONSE

In response to PUC-IR-45, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide a final substantive response to the present request.

REDACTED

PUC-IR-46 Please identify target inventory volume levels and days supply for neat ethanol² if you are an ethanol importer or have or will have ownership of ethanol in the State. Please identify any change in target inventory levels for gasoline post-ethanol after April 2006 (i.e., RBOB plus neat ethanol total volume in days supply) versus current inventory target levels.
[² Neat ethanol is a pure ethanol fuel, not a gasoline-ethanol blend.]

RESPONSE

In response to PUC-IR-46, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide final substantive response to the present request.

REDACTED

- PUC-IR-47** For Parties who may be importing ethanol, please provide the following information on your ethanol acquisition plans:
- a) Are you developing term ethanol supply arrangements or utilizing spot ethanol purchases?
 - b) If term, please identify the ethanol cost basis (if not finalized, please discuss the potential arrangement and pricing basis)
 - c) Please identify the expected method of delivery of the ethanol, freight contract arrangements (term or spot), and the potential cost for transporting the ethanol. If terms are not finalized, please discuss the potential arrangement and cost basis.

RESPONSE

In response to PUC-IR-47, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide a meaningful substantive response to the present request.

REDACTED

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PUC-IR-48 Please provide the specific capital and expense costs being incurred to prepare for the implementation of the ethanol mandate, overall and on a zone-by-zone and terminal basis. Please provide your current best estimate of costs on both a total and a cents per gallon (“cpg”) basis. The cpg cost figures should be total ethanol mandate-related cost divided by total terminal gasoline volume throughput (RBOB plus ethanol) over a 12 month period. Any volume being throughput for third parties at the terminal should be included in the cpg cost.

RESPONSE

In response to PUC-IR-48, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide a final substantive response to the present request.

REDACTED

PUC-IR-49 For applicable Parties, please provide the specific incremental barging operational costs expected to be incurred to meet the ethanol mandate. The barging costs provided in IRs in 2004 should be used as a basis, adjusted to any new barge contract terms. These should be identified and compared, on cpg basis, to the costs to transport the RBOB and neat ethanol to the same locations.

RESPONSE

In response to PUC-IR-48, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide a final substantive response to the present request.

REDACTED

PUC-IR-50 - Please identify the typical capital amortization period used to recover capital costs for investments in terminal modifications in Hawaii and other mainland locations.

RESPONSE

In response to PUC-IR-50, Shell respectfully objects to this information request on the basis that it is overly broad and unduly burdensome; calls for speculation and information otherwise not known to Shell; and requests information not within the present possession, custody, or control of Shell.

Without waiving the foregoing objections and to the extent the request is understood, Shell advises that it is still seeking to ascertain basic plans for sourcing, transportation, storing, and expensing ethanol to comply with the upcoming ethanol law, and submits that it is currently not in a position to be able to provide final substantive response to the present request.

REDACTED

DATED: Honolulu, Hawai'i February 15, 2006.

A handwritten signature in black ink, appearing to be "B. Higa", written over a horizontal line.

CLIFFORD K. HIGA

BRUCE NAKAMURA

KENNETH M. NAKASONE

Attorneys for SHELL OIL COMPANY

CERTIFICATE OF SERVICE

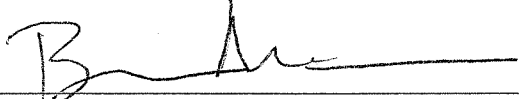
The undersigned hereby certifies that a true and correct copy of the above document was duly served upon the following parties in the manner described at their following last known addresses:

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DATED: Honolulu, Hawai'i, February 6, 2006.



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